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April 22, 2005

The Honorable Kevin Brady
U. S. House of Representatives
428 Cannon HOB
Washington, DC 20515-4308

Dear Congressman Brady:

The Texas Farm Bureau would appreciate your support for the Central American Free Trade Agreement. The countries included in that agreement already have access to the United States market, with over 99% of their products entering the United States tariff free. The CAFTA agreement provides some much needed balance to this trade situation, opening markets in those Central American nations. Certain U.S. products will gain entry into those countries immediately, with other scheduled tariff reductions in future years.

Of particular interest to Texas producers is the opportunity to export beef, poultry, corn and rice. All of these products gain significant access to the Central American market. It is reasonable to expect that agricultural exports to these countries could amount to approximately \$1.5 billion annually. Again, this comes with little or no downside since our markets are already substantially open.

As with any agreement, it should be acknowledged that certain producers will face additional competition. Domestic sugar producers will encounter more sugar imports from Central America. However, projected sugar imports from these countries will amount to less than one day's consumption in the U.S. This is after the agreement is fully implemented in approximately 15 years.

Texas farmers and ranchers consider it imperative that CAFTA be approved by the Congress to demonstrate the continued importance of trade in the U.S. Its failure would be ironic if Congress were to defeat trade-enhancing opportunities, while also making budget cuts in vital agricultural programs.

Again, your support and vote for the Central American Free Trade Agreement is extremely important to U.S. agriculture.

Sincerely,

Kenneth Dierschke
President.

KD:SP:cjg